

**The Indiana Office of Energy & Defense Development in
collaboration with the Indiana State Department of
Agriculture**

**GUIDELINES
FOR THE
BIOFUELS GRANT PROGRAM
Round II 2006**

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BIOFUELS GRANT PROGRAM GUIDELINES

The Indiana Office of Energy & Defense Development (OED) and the Indiana State Department of Agriculture (ISDA) believe the development and use of biofuels is important as we move Indiana's economy forward. The Biofuels Grant Program is one way to increase the access to and usage of biofuels by Hoosier consumers. This program will make awards for the installation of E85 and B20 refueling infrastructure at commercial refueling stations. E85 is an 85 percent ethanol blended fuel, and B20 is a 20 percent soybean oil blended diesel fuel. The equipment purchased and installed for an E85/B20 refueling station should be compatible with E85/B20. If there are any questions, please call the Program Manager, Cary Aubrey. The Biofuels Grant Program is administered by OED in collaboration with ISDA.

As Indiana becomes an emerging leader in the biofuels industry, it is important to state the goals of this program. OED and ISDA support the installation of both E85 and B20, but have a focus on Bio-Islands. A Bio-Island is a location that contains both an E85 pump and a B20 pump. OED may award up to **\$160,000** in grant awards through this solicitation. OED reserves the right to make total awards of less than \$160,000.

Please read these guidelines carefully before requesting funds from the Biofuels Grant Program. These guidelines describe eligibility, funding limitations, the grant approval process, and specific information needed in the grant applications.

Please read these guidelines carefully and note that incomplete or late applications will not be considered for award.

APPLICATION TIMELINE

Please pay close attention to the dates set forth below. It is important to note that if awarded, the project must be finished and all grant money must be drawn down by May 31, 2007. Additionally, each station will have to commit to sell the alternative fuel until December 31, 2008, along with reporting data to OED.

October 1, 2006	-Biofuels Grant Program Round II opened.
December 1, 2006	-Applications must be received by OED and/or postmarked by this date in order to be eligible.
December 15, 2006	-All applicants will be notified of their award or denial via e-mail. -Project construction can begin after award notification.
January 1, 2007	-Grant agreements will be generated and sent out by this date for those who received award notification.
April 15, 2007	-First quarterly report is due from grantees. Reporting will continue through grant expiration (January-April-July-October).
May 31, 2007	-Project must be completed and all claim vouchers must be submitted for reimbursement on the grant award.
December 31, 2008	-Grant agreement expires.
January 31, 2009	-Final report is due.

ELIGIBILITY

Applicants

Commercial refueling facilities are eligible to apply for the Biofuels Grant Program. This is a facility that sells transportation fuel to the general public. Those who own or operate multiple locations are allowed to apply for more than one location; however, each location needs to be on its own application and each will be scored separately.

In order to be eligible for consideration, each commercial refueling facility must abide by the following: projects must start and finish in the given timeline, **December 15, 2006-May 31, 2007**; the retailer will continue to sell the alternative fuel until **December 31, 2008**; and will appropriately advertise and post signage regarding the alternative fuel at their store location.

Costs

Projects eligible for grants include the installation of E85 or B20 refueling infrastructure. In order to be eligible for a Bio-Island award, the site needs to have one E85 pump and one B20 pump at the same location.

Costs that are eligible under this grant program are: biofuel equipment, installation and site preparation for biofuel pumps only, and signage. Under the equipment category, only tank, pump, canopy and lighting expenses directly related to the dispensing of biofuels will be considered eligible costs.

Eligible projects must apply commercially available technologies. Biofuels grants will not be awarded to fund research projects.

GRANT AMOUNTS

Grant amounts are available up to a maximum of **\$12,500** for E85 or B20 infrastructure. If both E85 and B20 infrastructure are installed (Bio-Island), the maximum grant available is **\$30,000**. Grant amounts are determined according to the following formula:

1. 50 percent of the purchase and installation costs of E85 and/or B20 refueling infrastructure.

$$\text{Total Infrastructure Cost (\$)} \times 50\% = \text{Grant Amount (\$)}$$

Only costs incurred after approval notification are eligible for funding. Project construction can not begin until award notification on December 15, 2006. Costs incurred after approval and prior to execution of the grant agreement (contract) are made at the applicant's risk. Funding is assured only after final execution of the grant agreement.

TERMS

Grants are only available for eligible recipients. Matching funds of fifty percent (50%) are required for this grant program. OED and ISDA reserve the right to fund none of the money allotted (\$0) to all of the money allotted (\$160,000), depending on the quality and eligibility of applications. Funds cannot be drawn down until there is an executed grant agreement (contract). **The claim vouchers for funds must be submitted by May 31, 2007.** All grants from OED are on a reimbursement basis only. There is no advance payment with this grant program.

Funds may be used in conjunction with other financing programs; however, the Grant funds may only be used for the purchase and installation of E85 or B20 infrastructure covered in the contract. Recipients must disclose all federal awards received per year. Any grantee expending Five Hundred Thousand Dollars (\$500,000) or more in federal awards per year must have an audit made for that year by an independent auditor. Non-profit organizations, institutions of higher education, and local governments should consult the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" for guidance.

GRANT RESPONSIBILITIES

Reporting Requirements

A report is due at the end of each quarter and a final report at the end of the funding period. Quarterly reporting will commence April 2007 and will end with a final report in January 2009. The report will detail activities/results such as timelines, budget information including grant monies received, alternative fuel sold, average price per gallon of alternative fuel and a narrative on the project's progress. These results/activities are provided to OED by the grantee in the form of Quarterly Reports

which are due in January, April, July, and October of each year during the Grant Agreement. The reports will be used to track progress made by the grantee as well as used to report to the U.S. Department of Energy.

A final progress report will be due January 31, 2009. This final report will summarize all aspects of the project.

Maintain Communication

The grantee shall maintain communication with the Office of Energy and Defense Development and the Indiana State Department of Agriculture for the duration of the Grant Agreement.

Site Visits

Grantee shall allow OED/ISDA to conduct project site visits when given (5) business days notice.

APPLICATION PROCESS

Each interested applicant must fill out an application and send it in along with all required documentation to Cary Aubrey by **December 1, 2006**. Applications can be found at: www.energy.in.gov/applications

GRANT APPROVAL

The Indiana Office of Energy & Defense Development and the Indiana State Department of Agriculture administer the Biofuels Grant Program and will review and score all grant applications. If the applicant is approved by OED and ISDA, a grant agreement will be drawn in order to establish the terms of the grant and other conditions needed to manage the grant. Award notification will be made by December 15, 2006 and grant agreements will be sent to awardees by January 1, 2007. Once the awardee signs and returns the grant agreement to OED, it will begin the State signature process. This process can take up to 8 weeks for completion. Upon completing the State signature process, the awardee may draw down on grant funds as the project is completed.

CONFIDENTIALITY INFORMATION

To the extent feasible and permissible by law, the Indiana Office of Energy & Defense Development (OED) and the Indiana State Department of Agriculture (ISDA) will honor an applicant's request that confidential information submitted to ISDA and OED will remain confidential. OED and ISDA will treat information as confidential only if: (i) the information is, in fact, protected confidential information such as trade secrets or privileged or confidential commercial or financial information; (ii) the information is specifically marked or identified as confidential by the applicant; (iii) the information is segregated and placed in a separate appendix to the application; and (iv) no disclosure of

the information is required by law or judicial order. If the application results in award of a grant, the honoring of confidentiality of identified data shall not limit the right of OED and ISDA to disclose the details and results of the grant to the general public.

FOR MORE INFORMATION

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Biofuels Program Administrator

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The Indiana Office of Energy & Defense Development or the Indiana State Department of Agriculture may request additional information from an applicant to help evaluate an application.